

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK**

In re:

ROCHESTER DRUG CO-OPERATIVE, INC.,  
  
Debtor.

Chapter 11

Case No. 20-20230 (PRW)

**COVER SHEET TO THIRD AND FINAL FEE APPLICATION OF PACHULSKI  
STANG ZIEHL & JONES LLP FOR COMPENSATION FOR SERVICES RENDERED  
AND REIMBURSEMENT OF EXPENSES INCURRED AS COUNSEL TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF THE DEBTOR FOR  
THE PERIOD APRIL 9, 2020 THROUGH MARCH 19, 2021**

Name of Applicant:	<u>Pachulski Stang Ziehl &amp; Jones LLP ("PSZJ")</u>
Authorized to Provide Professional Services to:	<u>The Official Committee of Unsecured Creditors of the Debtor</u>
Date of Order Authorizing Employment:	<u>Order entered June 17, 2020 [Doc 409] effective as of April 9, 2020</u>
Period for Which Compensation is Sought:	<u>January 1, 2021 – March 19, 2021 (the "Stub Period")</u> <u>April 9, 2020 – March 19, 2021 (the "Final Application Period")</u>
Amount of Fees Sought:	<u>Stub Period: \$330,879.00</u> <u>Final Application Period: \$1,285,496.00<sup>1</sup></u>
Amount of Expense Reimbursement Sought:	<u>Stub Period: \$519.31</u> <u>Final Application Period: \$3,117.23</u>

This is PSZJ's Final fee application.

<sup>1</sup>Fees for the Final Application Period originally totaled \$1,290,496.00. For the period August 1, 2020 through December 31, 2020, PSZJ agreed to a voluntary fee reduction, thereby reducing the total fee request to \$1,285,496.00.

Blended Rate in this Application for All Attorneys:	Stub Period: \$700.00 Final Application Period: \$687.50
Blended Rate in this Application for All Timekeepers:	Stub Period: \$563.12 Final Application Period: \$600.00
Compensation Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but Not Yet Allowed:	\$0.00
Compensation Sought in this Application Not Paid Pursuant to a Monthly Compensation Order:	\$330,879.00
Expenses sought in this Application Already Paid Pursuant to a Monthly Compensation Order but Not Yet Allowed:	\$0.00
Expenses sought in this Application Not Paid Pursuant to a Monthly Compensation Order:	\$519.31

### PRIOR QUARTERLY FEE APPLICATIONS

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses	Amount Paid
9/17/20	4/9/20 – 7/31/20	\$397,737.50	\$1,366.08	\$397,737.50	\$1,366.08	\$399,103.58
2/3/21	8/1/20 – 12/31/20	\$561,879.50	\$1,231.84	\$556,879.50 <sup>2</sup>	\$1,231.84	\$558,111.34

### SUMMARY OF HOURS BILLED BY PROFESSIONALS AND PARAPROFESIONALS STUB PERIOD (JANUARY 1, 2021 – MARCH 19, 2021)

Name of Professional Individual	Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise	Hourly Billing Rate (including Changes) (Rates capped at \$700/hour)	Total Hours Billed	Total Compensation
Ilan D. Scharf	Partner 2010; Member of NY Bar since 2002	\$700.00	94.00	\$65,800.00
Jason S. Pomerantz	Partner 2019; Member of CA Bar since 1991	\$700.00	253.10	\$177,170.00
William L. Ramseyer	Of Counsel 1989; Member of CA Bar since 1980	\$700.00	4.00	\$2,800.00
Gail S. Greenwood	Of Counsel 2009; Member of CA Bar since 1994	\$700.00	112.30	\$78,610.00

<sup>2</sup> PSZJ has agreed to a \$5,000 fee reduction thereby resulting in approved fees totaling \$556,879.00.

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes) (Rates capped at \$700/hour)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
La Asia Canty	Paralegal 2017	\$460.00	4.20	\$1,932.00
La Asia Canty	Paralegal	\$425.00	4.70	\$1,997.50
Cheryl A. Knotts	Paralegal 2000	\$425.00	2.70	\$1,147.50
Melisa DesJardien	Legal Assistant	\$395.00	3.60	\$1,422.00

**Grand Total: \$330,879.00**  
**Total Hours: 478.60**  
**Blended Rate: \$700.00 (all attorneys)**  
**Blended Rate: \$563.12 (all timekeepers)**

**SUMMARY OF HOURS BILLED BY PROFESSIONALS AND PARAPROFESIONALS  
FINAL APPLICATION PERIOD (APRIL 9, 2020 – MARCH 19, 2021)**

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes) (Rates capped at \$700/hour)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
James I. Stang	Partner 1983; Member of CA Bar since 1980	\$700.00	9.70	\$6,790.00
Iain A.W. Nasatir	Partner 1999; Member of NY Bar since 1983 Member of CA Bar since 1990	\$700.00	5.30	\$3,710.00
Maxim B. Litvak	Partner 2004; Member of TX Bar since 1997; Member of CA Bar since 2001	\$700.00	5.80	\$4,060.00
Nina L. Hong	Partner 2006; Member of CA Bar since 1996	\$700.00	2.60	\$1,820.00
Ilan D. Scharf	Partner 2010; Member of NY Bar since 2002	\$700.00	377.20	\$264,040.00
Richard E. Mikels	Partner 2016; Member of MA Bar since 1972; Member of NY Bar since 2015	\$700.00	104.10	\$72,870.00
Jason S. Pomerantz	Partner 2019; Member of CA Bar since 1991	\$700.00	862.10	\$603,470.00
Gina F. Brandt	Of Counsel 2000; Member of CA Bar since 1976	\$700.00	2.20	\$1,540.00
William L. Ramseyer	Of Counsel 1989; Member of CA Bar since 1980	\$700.00	24.10	\$16,870.00
Gail S. Greenwood	Of Counsel 2009; Member of CA Bar since 1994	\$700.00	363.80	\$254,660.00
Richard J. Gruber	Of Counsel 2008; Member of CA Bar since 1982	\$700.00	2.20	\$1,540.00
Cia H. Mackle	Of Counsel 2007; Member of FL Bar since 2006	\$675.00	27.00	\$18,225.00
Steven W. Golden	Associate 2016; Member of NY and MD Bars since 2015; Member of TX Bar since 2016	\$625.00	20.40	\$12,750.00
Hayley R. Winograd	Associate 2020; Member of NY Bar since 2018	\$625.00	7.00	\$ 4,375.00
Leslie A. Forrester	Law Library Director	\$450.00	1.30	\$585.00
La Asia Canty	Paralegal 2017	\$460.00	4.20	\$1,932.00
La Asia Canty	Paralegal 2017	\$425.00	39.60	\$16,830.00
Beth D. Dassa	Paralegal 2007	\$425.00	0.10	\$42.50

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Number of Years in that Position, Prior Relevant Experience, Year of Obtaining License to Practice, Area of Expertise</b>	<b>Hourly Billing Rate (including Changes) (Rates capped at \$700/hour)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Cheryl A. Knotts	Paralegal 2000	\$425.00	2.70	\$1,147.50
Cheryl A. Knotts	Paralegal 2000	\$395.00	2.10	\$829.50
Melisa DesJardien	Legal Assistant	\$395.00	6.10	\$2,409.50

**Grand Total: \$1,290,496.00<sup>3</sup>**

**Total Hours: 1,869.60**

**Blended Rate: \$687.50 (all attorneys)**

**Blended Rate: \$600.00 (all timekeepers)**

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<sup>3</sup> Fees for the Final Application Period originally totaled \$1,290,496.00. For the period August 1, 2020 through December 31, 2020, PSZJ agreed to a voluntary fee reduction, thereby reducing the total fee request to \$1,285,496.00.

**TASK CODE SUMMARY**  
**STUB PERIOD (JANUARY 1, 2021 – MARCH 19, 2021)**

<b>Code</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
AA	Asset Analysis	86.70	\$60,690.00
BL	Bankruptcy Litigation	31.30	\$21,650.50
CA	Case Administration	3.10	\$1,366.50
CO	Claims Administration	10.80	\$7,560.00
CP	Compensation of Professionals	19.90	\$11,142.00
CPO	Compensation of Professionals/Others	0.80	\$438.00
GC	General Creditors' Committee	73.20	\$51,240.00
PD	Plan & Disclosure Statement	142.00	\$99,400.00
SL	Stay Litigation	103.80	\$72,492.00
RPO	Retention of Professionals/Others	0.70	\$490.00
TI	Tax Issues	6.10	\$4,270.00
OP	Operations	0.20	\$140.00
<b>Total</b>		<b>478.60</b>	<b>\$330,879.00</b>

**TASK CODE SUMMARY**  
**FINAL APPLICATION PERIOD (APRIL 9, 2020 – MARCH 19, 2021)**

<b>Code</b>	<b>Description</b>	<b>Hours</b>	<b>Amount</b>
AA	Asset Analysis	360.70	\$250,697.50
AC	Avoidance Actions	39.30	\$27,447.50
AD	Asset Disposition	40.60	\$28,420.00
BL	Bankruptcy Litigation	107.50	\$73,510.50
CA	Case Administration	17.90	\$8,399.00
CO	Claims Administration	93.10	\$65,002.50
CP	Compensation of Professionals	63.10	\$37,696.50
CPO	Compensation of Professionals/Others	3.80	\$1,768.00
EB	Employee Benefits	7.70	\$5,390.00
FN	Financing	39.80	\$27,132.50
GC	General Creditors' Committee	171.50	\$120,012.50
HE	Hearing	4.20	\$2,940.00
IC	Insurance Coverage	12.70	\$8,890.00
LN	Litigation/Non-Bankruptcy	2.10	\$1,470.00
MC	Meeting of Creditors	2.20	\$1,427.50
PD	Plan & Disclosure Statement	440.40	\$308,222.50
PR	PSZJ Retention	1.30	\$552.50
SL	Stay Litigation	236.50	\$164,777.00
RP	Retention of Professionals	26.30	\$17,510.00
RPO	Retention of Professionals/Others	8.20	\$5,740.00
TI	Tax Issues	190.50	\$133,350.00
OP	Operations	0.20	\$140.00
<b>TOTAL</b>		<b>1,869.60</b>	<b>\$1,290,496.00</b>



**EXPENSE SUMMARY**  
**STUB PERIOD (JANUARY 1, 2021 – MARCH 19, 2021)**

<b>Expense Category</b>	<b>Service Provider (if applicable)<sup>4</sup></b>	<b>Total Expenses</b>
Conference Call		\$56.21
Research	Lexis Nexis	\$101.30
Messenger	Legal Vision	\$144.00
Court Research	Pacer	\$7.30
Postage	US Mail	\$52.80
Reproduction Expense		\$99.00
Reproduction/ Scan Copy		\$58.70
<b>TOTAL</b>		<b>\$519.31</b>

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<sup>4</sup> PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

**EXPENSE SUMMARY**  
**FINAL APPLICATION PERIOD (APRIL 9, 2020 – MARCH 19, 2021)**

<b>Expense Category</b>	<b>Service Provider (if applicable)<sup>5</sup></b>	<b>Total Expenses</b>
Bloomberg		\$212.60
Conference Call		\$663.37
Federal Express		\$14.82
Research	Lexis Nexis	\$648.73
Messenger	Legal Vision	\$144.00
Court Research	Pacer	\$337.40
Court Research	Courtlink	\$52.23
Postage	US Mail	\$157.98
Reproduction Expense		\$581.50
Reproduction/ Scan Copy		\$163.10
Transcript		\$141.50
<b>TOTAL</b>		<b>\$3,117.23</b>

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<sup>5</sup> PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK**

In re:

ROCHESTER DRUG CO-OPERATIVE, INC.,  
  
Debtor.

Chapter 11

Case No. 20-20230 (PRW)

**THIRD AND FINAL APPLICATION OF PACHULSKI  
STANG ZIEHL & JONES LLP FOR ALLOWANCE OF COMPENSATION  
FOR PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT  
OF EXPENSES INCURRED AS COUNSEL TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS OF THE DEBTOR  
FOR THE PERIOD APRIL 9, 2020 THROUGH MARCH 19, 2021**

Pachulski Stang Ziehl & Jones LLP. (“**PSZJ**” or the “**Firm**”), counsel to the official committee of unsecured creditors of the debtor (the “**Committee**”), hereby submits this third and final fee application (the “**Application**”), pursuant to 11 U.S.C. §§ 330 and 331 and Rule 2016 of the Federal Rules of Bankruptcy Procedure, for the period commencing April 9, 2020 through and including March 19, 2021. In further support of the Application, PSZJ respectfully states as follows:

**Preliminary Statement**

1. PSZJ requests: (a) interim and final allowance of compensation in the amount of \$330,879.00 for fees on account of reasonable and necessary professional services rendered and reimbursement of actual and necessary costs and expenses in the amount of \$519.31 for the period from January 1, 2021 through March 19, 2021 (the “**Stub Period**”); (b) final allowance of compensation in the amount of \$1,285,496.00 for fees on account of reasonable and necessary professional services rendered and reimbursement of actual and

necessary costs and expenses in the amount of \$3,117.23 for the period from April 9, 2020 through March 19, 2021 (the “**Final Application Period**”), and (c) payment of any unpaid portion of all such allowed fees and expenses. PSZJ reserves the right to supplement this Application prior to the hearing thereon to include a request for fees and costs in connection with the preparation and prosecution of the Application.

### **Jurisdiction**

2. The Court has jurisdiction over this application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
4. The statutory predicates for relief are sections 330 and 331 of Title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

### **Background**

5. On March 12, 2020 (the “**Petition Date**”), Rochester Drug Co-Operative, Inc. (the “**Debtor**”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
6. On April 7, 2020, the United States Trustee appointed the Committee, pursuant to section 1102 of the Bankruptcy Code. *See Appointment of Committee of Unsecured Creditors* [Doc 138]. Following the Committee’s appointment, the Committee, subject to Court approval, retained PSZJ as its counsel.
7. On or about May 12, 2020, PSZJ filed its application seeking to be employed in this case [Docket No. 302] (the “**Retention Application**”). As set forth in the

Declaration of Ilan Scharf in support of the Retention Application, due to the unique circumstances of this case, PSZJ proposed to charge hourly rates which are below its regular hourly rates, specifically, to charge its normal and customary hourly rates, subject to a cap of \$700 per hour. On June 17, 2020, the Court entered its *Order Authorizing and Approving the Employment of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors of the Debtor Effective as of April 9, 2020* [Docket No. 409] (the “**Retention Order**”), authorizing the employment of PSZJ as counsel to the Committee effective as of April 9, 2020. The Retention Order authorized PSZJ to apply for compensation for professional services rendered and reimbursement of expenses as set forth in the Retention Application, subject to the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of this Court.

8. PSZJ did not receive a retainer in connection with its employment and, to date, has only received compensation for services and reimbursement of expenses pursuant to the *Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Members of Official Committees* entered May 26, 2020 [Docket No. 333]<sup>1</sup> (the “**Interim Compensation Order**”).

9. On September 17, 2020, PSZJ filed and served its *First Interim Fee Application of Pachulski Stang Ziehl & Jones LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Counsel to the Official Committee of Unsecured Creditors of the Debtor For the Period April 9, 2020 Through July 31, 2020* [Docket No. 768],

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<sup>1</sup> PSZJ previously filed monthly fee statements for the period April 9, 2020 through December 31, 2021, pursuant to the Interim Compensation Order.

which was approved by order entered on October 26, 2020 [Docket No. 888] (the “**First Interim Fee Application**”). A copy of the First Interim Fee Application is attached hereto as **Exhibit E**, and a copy of the order granting the First Interim Fee Application is attached hereto as **Exhibit F**.

10. On February 3, 2021, PSZJ filed and served its *Second Interim Fee Application of Pachulski Stang Ziehl & Jones LLP for Compensation for Services Rendered and Reimbursement of Expenses Incurred as Counsel to the Official Committee of Unsecured Creditors of the Debtor for the Period August 1, 2020 Through December 31, 2020* [Docket No. 1197], which was approved by order entered on March 5, 2021 [Docket No. 1281] (the “**Second Interim Fee Application**”). A copy of the Second Interim Fee Application is attached hereto as **Exhibit G**, and a copy of the order granting the Second Interim Fee Application is attached hereto as **Exhibit H**.

11. PSZJ has been paid for professional services rendered and costs advanced on account of its First Interim Fee Application and Second Interim Fee Application. PSZJ has received payments on such applications only from the Debtor, and has no agreement to share compensation received in this case other than among members of the Firm.

12. On February 26, 2021, the Court entered its *Decision and Order and Findings of Fact and Conclusions of Law Confirming The Debtor’s Second Amended Chapter 11 Plan Of Liquidation Dated January 15, 2021* [Docket No. 1256] (the “**Confirmation Order**”).

13. The Effective Date of the Second Amended Plan occurred on March 19, 2021. See *Notice of Effective Date of Chapter 11 Plan* [Docket No. 1305].

## **Summary of Services Rendered by PSZJ During the Stub Period<sup>2</sup>**

During the Stub Period, PSZJ has rendered numerous, varied, and substantial services to the Committee in connection with this case, including but not limited to:

### **A. Asset Analysis and Recovery**

14. This category relates to work regarding asset analysis and recovery issues.

During the Stub Period, the Firm, among other things: (1) worked on issues related to settlements of accounts receivable; (2) prepared a preliminary preference analysis; (3) reviewed and analyzed issues regarding the OptiSource settlement; (4) conducted a preference analysis; (5) performed work regarding various settlements based on money due to the Debtor; (6) analyzed potentially avoidable transfers; and (7) assessed potential causes of action available to the Debtor's estate..

Fees: \$60,690.00; Hours: 86.70

### **B. Bankruptcy Litigation**

15. This category relates to work regarding motions or adversary proceedings in the Bankruptcy Court. During the Stub Period, the Firm, among other things: (1) reviewed and analyzed a United States Trustee ("UST") motion to compel; (2) reviewed and analyzed the Global Settlement Agreement as it related to the UST's motion to compel; (3) reviewed and analyzed issues regarding litigation in the District Court against Hiscox, the Debtor's prepetition insurer; (4) prepared a joinder to the Debtor's objection to payment of defense costs; (5) reviewed and analyzed issues regarding the motion by the Debtor's former CEO to be paid defense costs from insurance; (6) addressed post-confirmation transition issues; (7) researched

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<sup>2</sup> PSZ&J billed some similar services to different categories. Such billing has not resulted in any duplication of fees.

and commented on a memorandum regarding post-confirmation litigation claims; (8) reviewed and analyzed a settlement proposal from Wholesale Alliance; and (9) corresponded and conferred regarding bankruptcy litigation issues.

Fees: \$21,650.50; Hours: 31.30

**C. Case Administration**

16. This category relates to work regarding administration of this case. During the Stub Period, the Firm, among other things, maintained a memorandum of critical dates.

Fees: \$1,366.50; Hours: 3.10

**D. Claims Administration and Objections**

17. This category relates to work regarding claims administration and claims objections. During the Stub Period, the Firm, among other things: (1) reviewed and analyzed the claim filed by the New York Attorney General (“NYAG”); (2) reviewed and analyzed the NYAG motion for claim allowance; (3) negotiated a settlement regarding the NYAG motion, including proposed confirmation order language; (4) advised the Committee regarding the settlement process for claims; (5) attended to school district claimant issues; (6) reviewed and analyzed issues regarding the Wholesale Alliance claim and set-off rights; and (7) corresponded and conferred regarding claim issues.

Fees: \$7,560.00; Hours: 10.80



**E. Compensation of Professionals\Compensation of Professionals--Others**

18. This category relates to issues regarding the compensation of the Firm. During the Stub Period, the Firm, among other things: (1) performed work regarding its August, September, October, November and December 2020 monthly fee statements relating to the preparation of fee applications; (2) performed work regarding the Firm's Second interim fee application; (3) performed work regarding GlassRatner monthly fee statements; and (4) corresponded regarding compensation issues.

Fees: \$11,580.00; Hours: 20.70

**F. General Creditors Committee**

19. This category relates to general Committee issues. During the Stub Period, the Firm, among other things: (1) reviewed and analyzed case status issues relating to Liquidating Trustees; (2) prepared for and participated in conferences with the Committee and the Liquidating Trustees regarding case issues; (3) reviewed and analyzed Plan and Disclosure Statement issues; (4) reviewed and analyzed the Liquidating Trust Agreement; (5) reviewed and analyzed case status and time-line issues; (6) performed work regarding a consulting agreement; (7) performed work regarding a transition report; (8) reviewed and analyzed transition issues; (9) reviewed and analyzed NYAG claim issues; (10) attended to document retention issues; (11) performed work regarding a report to the Liquidating Trustees; (12) performed work regarding a post-confirmation task list; (13) reviewed and analyzed issues regarding the Liquidating Trust Agreement; and (14) conferred and corresponded regarding general Committee issues.

Fees: \$51,240.00; Hours: 73.20

**G. Plan and Disclosure Statement**

20. This category relates to issues regarding a Plan of Reorganization (“Plan”) and Disclosure Statement. During the Stub Period, the Firm, among other things: (1) reviewed and revised documents and correspondence relating to amended Plan and Disclosure Statement issues; (2) reviewed revised issues regarding key employee retention and incentive program issues; (3) reviewed and analyzed the Merck and UST Plan objections and the response to such objections; (4) negotiated exculpation and release issues; (5) addressed opt-out issues related to the Plan and Disclosure Statement; (6) prepared for and attended a hearing on January 15, 2021 on the Second Amended Disclosure Statement; (7) performed work regarding a letter from the Committee in support of the Plan; (8) reviewed and analyzed Plan confirmation issues; (9) reviewed and analyzed NYAG issues; (10) reviewed and analyzed estimation issues; (11) reviewed and analyzed transition issues; (12) attended to issues regarding settlement of a 3018 motion relating to the NYAG; (13) performed research; (14) reviewed and analyzed voting issues; (15) reviewed and analyzed a NYAG settlement proposal; (16) performed work regarding a term sheet with the NYAG; (17) performed work regarding a stipulation with the NYAG; (18) attended to issues regarding a resolution of the Merck Plan objection; (19) reviewed and analyzed Plan-related anti-trust issues; (20) reviewed and analyzed a confirmation order; (21) prepared for and attended a confirmation hearing on February 26, 2021; (22) reviewed and analyzed post-confirmation issues; (23) reviewed and analyzed Effective Date issues;

(24) performed work regarding the transition from Debtor in Possession to the Liquidating Trust; and (25) conferred and corresponded regarding Plan and Disclosure Statement issues.

Fees: \$99,400.00; Hours: 142.00

#### **H. Retention of Professionals--Others**

21. This category relates to issues regarding the retention of professionals, other than the Firm. Time spent during the Stub Period was minimal and included, among other things, the review and analysis of issues regarding retention agreements for the Debtor's employees.

Fees: \$490.00; Hours: 0.70

#### **I. Stay Litigation**

22. This category relates to work regarding the automatic stay and relief from stay motions. During the Stub Period, the Firm, among other things: (1) performed work regarding a joinder in opposition to the Doud relief from stay motion; (2) reviewed and analyzed issues regarding an opposition to the Doud relief from stay motion; (3) reviewed and analyzed issues regarding insurance coverage and shared insurance; (4) performed work regarding an opposition to the Doud relief from stay motion; (5) prepared for and attended a hearing on January 29, 2021 regarding the Doud matter; (6) reviewed and analyzed the Doud brief; (7) performed work regarding a memorandum of law in support of opposition to the Doud relief from stay motion; (8) reviewed and analyzed issues regarding co-insureds and claims under Directors and Officers policies; (9) performed work regarding a joint brief in opposition to the

Doud motion for relief from stay; and (10) corresponded and conferred regarding stay litigation issues.

Fees: \$72,492.00; Hours: 103.80

**J. Tax Issues**

23. This category relates to work regarding tax issues. During the Stub Period, the Firm, among other things: (1) reviewed and analyzed issues regarding a settlement with the IRS; (2) reviewed and analyzed documents regarding the IRS settlement; and (3) corresponded and conferred regarding tax issues.

Fees: \$4,270.00; Hours: 6.10

**K. Operations**

24. This category relates to work regarding business operations. Time spent during the Stub Period was minimal and included, among other things, review and analysis of issues regarding consulting agreements.

Fees: \$140.00; Hours: 0.20

25. The above-referenced description of services is not intended to be exhaustive of the scope of PSZJ's services rendered on behalf of the Committee. A full accounting of all services rendered on behalf of the Committee during the Stub Period is contained in related time records in the invoices, attached hereto as **Exhibits B, C, and D**, respectively.

26. As contained in the time records in the attached invoices, PSZJ has expended a total of 478.60 hours during the Stub Period representing the Committee in this case.

The value of the services rendered to the Committee by PSZJ is \$330,879.00 and PSZJ has incurred actual and necessary out-of-pocket expenses in the amount of \$519.31 during the Stub Period in connection with such professional services.

**Professional Services Rendered During the Stub Period**

27. The value of the professional services rendered to the Committee during the Stub Period has been billed at rates normally charged by PSZJ for comparable services performed for other clients, subject to a \$700/hour cap.

28. PSZJ has attempted to avoid any duplication of services by its professionals in rendering services. When more than one professional participated in any conference or hearing, such joint participation was necessary because of the complexity of the legal issues involved, the various legal disciplines required, or the need to familiarize the professional with such matters so that he or she could independently perform further essential services in connection with this case.

29. Each entry itemized in PSZJ's time records includes (a) use of a project category (each a "**Project Category**"), (b) a description of each activity or service that an individual performed, and (c) the number of hours (in increments of one-tenth of an hour) spent by an individual performing the activity or providing service. Below is a list of the aggregate recorded hours, blended rate and fees incurred during the Stub Period for each Project Category.

Code	Description	Hours	Amount
AA	Asset Analysis	86.70	\$60,690.00
BL	Bankruptcy Litigation	31.30	\$21,650.50
CA	Case Administration	3.10	\$1,366.50
CO	Claims Administration	10.80	\$7,560.00

Code	Description	Hours	Amount
CP	Compensation of Professionals	19.90	\$11,142.00
CPO	Compensation of Professionals/Others	0.80	\$438.00
GC	General Creditors' Committee	73.20	\$51,240.00
PD	Plan & Disclosure Statement	142.00	\$99,400.00
SL	Stay Litigation	103.80	\$72,492.00
RPO	Retention of Professionals/Others	0.70	\$490.00
TI	Tax Issues	6.10	\$4,270.00
OP	Operations	0.20	\$140.00
<b>Total</b>		<b>478.60</b>	<b>\$330,879.00</b>

**Blended Rate:       \$700.00 (all attorneys)**  
**Blended Rate:       \$563.12 (all timekeepers)**

**Actual and Necessary Expenses Incurred During the Stub Period**

30. During the Stub Period, PSZJ has incurred actual and necessary out-of-pocket expenses in the total amount of \$519.31. PSZJ customarily charges \$0.10 per page for photocopying expense and \$0.10 per page for scanning and printing charges. PSZJ's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZJ summarizes each client's photocopying charges on a daily basis.

31. With respect to providers of on-line legal research (*e.g.* LEXIS), PSZJ charges the standard usage rates these providers charge for computerized legal research. PSZJ bills its clients the actual amount charged by such service providers, with no premium. Any volume discount received by PSZJ is passed on to the client.

32. PSZJ believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZJ believes that such charges are in accordance with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's

Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

33. PSZJ seeks reimbursement for, among other things, the following types of expenses: (a) copy expenses; (b) conference calls; (c) online research; (d) delivery services and couriers; (e) postage; (f) trial transcript costs; and (g) miscellaneous expenses. Below is a summary of the actual and necessary out-of-pocket expenses incurred on behalf of the Committee during the Stub Period:

<b>Expense Category</b>	<b>Service Provider (if applicable)<sup>3</sup></b>	<b>Total Expenses</b>
Conference Call		\$56.21
Research	Lexis Nexis	\$101.30
Messenger	Legal Vision	\$144.00
Court Research	Pacer	\$7.30
Postage	US Mail	\$52.80
Reproduction Expense		\$99.00
Reproduction/ Scan Copy		\$58.70
<b>TOTAL</b>		<b>\$519.31</b>

### **Notice**

34. Notice of this application is being given to (a) the Debtor, (b) the Debtor's counsel, (c) the U.S. Trustee, and (d) those parties who have appeared in this case or have requested notice pursuant to Bankruptcy Rule 2002.

### **No Prior Request**

35. No prior application for the relief requested herein has been made to this or any other court.

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<sup>3</sup> PSZ&J may use one or more service providers. The service providers identified herein below are the primary service providers for the categories described.

**WHEREFORE**, PSZJ respectfully requests the Court enter an order, substantially in the form attached as **Exhibit A**: (i) allowing, on a final basis, compensation in the amount of \$330,879.00 for reasonable and necessary professional services rendered and reimbursement of actual and necessary costs and expenses in the amount of \$519.31 for the Stub Period, (ii) allowing on a final basis compensation in the amount of \$1,285,496.00 for reasonable and necessary professional services rendered and reimbursement of actual and necessary costs and expenses in the amount of \$3,117.23 for the Final Application Period, (iii) authorizing the Debtor to pay the unpaid balance of such amounts to PSZJ, and (iv) granting PSZJ all other just and proper relief.

Respectfully submitted,

Date: April 28, 2021

**PACHULSKI STANG ZIEHL & JONES LLP**

/s/ Ilan D. Scharf

James I. Stang (admitted *pro hac vice*)

Ilan D. Scharf

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*Counsel to the Official Committee of Unsecured Creditors*



## VERIFICATION

STATE OF NEW YORK :  
:  
COUNTY OF NEW YORK :

Ilan D. Scharf, after being duly sworn according to law, deposes and says:

a) I am a partner with the applicant law firm Pachulski Stang Ziehl & Jones LLP, and have been admitted to appear before this Court.

b) I am familiar with the work performed on behalf of the Committee by the lawyers and paraprofessionals of PSZ&J.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Local Rule 2016-1 and the Interim Compensation Order entered May 26, 2020 and believe that this Application substantially complies with such Rule and Order.

/s/ Ilan D. Scharf

Ilan D. Scharf